

# CDPAC MEETING AGENDA

Thursday, June 1st, 2000  
State Capitol Building, Room 447

*Alternate Location:* State Capitol Building, Room 113

**9:00 Registration and Material Review**

**9:30 Committee Business:**

Opening Remarks, Kathy Malaske-Samu, Chairperson  
Introductions  
Public Input and Announcements  
Approval of May 4, 2000 Minutes

**Action Item 1**

**9:45 Executive Director Report**

*Kay Ryan*, Executive Director

**10:00 May Revise**

*Jean Ross*, Director, California Budget Project

**10:30 Local Planning Council News**

Representatives from three Local Planning Councils will share their experiences, lessons learned and success

**11:30 CalWORKS – Beyond Work and Child Care: Services Available to Substance Abusing Families – Facilitated by Cecelia Fisher-Dahms,**  
Department of Social Services

**12:00 Lunch On Your Own**

**1:00 State Department Reports**

*Michael Jett*, Department of Education, CDD  
*Charleen Gorrell*, Department of Health Services  
*Bonnie Parks*, Employment Development Department  
*Cheri Schoenborn*, Department of Developmental Services

**1:45 Children and Families Commission Update**

**2:15 Legislation**

The Committee will hear about a number of bills and be asked to support

AB 212

AB 278

SB 1703

**Action Item 2**

**Action Item 3**

**Action Item 4**

**3:00 Meeting Adjournment**

**CDPAC MONTHLY MEETING MINUTES**  
**Thursday, June 1st, 2000**  
**State Capitol Building, Room 447**

**Committee Business:**

Opening Remarks, *Kathy Malaske-Samu*, Chairperson

Ms. Malaske-Samu called the meeting to order at 9:40 a.m. She thanked staff for so quickly providing helpful information on the May Revise.

As the end of the year and the two-month break approaches, this would be an appropriate time for the Committee to assess its accomplishments and any needs for improvement. She asked staff to put together a simple questionnaire for members to provide their candid comments so the Committee could learn from its successes and mistakes.

Ms. Malaske-Samu commented that her intent as chair is for the Committee to serve as a forum to explore ideas, including those not universally popular. She wants the Committee to engage in honest discussions and take time to explore and challenge new ideas while making sure all participants feel respected as people.

Committee, staff and audience members introduced themselves.

**Public Input and Announcements**

- Local Planners have a meeting following this CDPAC meeting.
- The NAEYC Professional Development Institute Conference will be held next Sunday through Wednesday at the Hilton in San Francisco.

The minutes of the May 4th meeting were approved without change. The question was asked if the minutes should identify who makes a motion. Ms. Ryan indicated that it is not necessary.

**Executive Director and Staff Reports**

Director's Report, *Kay Ryan*

The themes of May have been "money, meetings, and good-byes." Money issues include budget hearings, the May Revise, and cash-flow problems resulting from not having contracts executed until so late in the fiscal year. In addition to our efforts to secure reimbursement under existing contracts, we are already working to finalize contracts for the 2000-01 State Fiscal Year, hoping to avoid cash-flow problems next year.

In May, Mary Emmons and Ms. Ryan met with Olivia Golden, the Assistant Secretary for Children and Families, in one of a series of meetings she held in California. She wanted to hear about universal access to services vs. the dilemma of pitting the working poor against CalWORKs recipients, capacity building, quality, training, compensation, facilities, affordability, and the three-stage system for CalWORKs child care. She shared that nationally one-tenth of children eligible for federally subsidized care are receiving it. In California, only six percent of eligible children receive subsidies. Ms. Golden discussed the need for additional federal investment and outlined three proposals before Congress totaling \$5 billion. One is for \$817 million to increase the Child Care Development Fund and would provide about \$99 million to California. Another is for \$3 billion over five years for the Early Learning Fund. The third is for \$1 billion to increase Head Start. At the conclusion of the meeting Ms. Golden stated that she now recognized that the complexity of California's three-stage system is not our biggest issue but volunteered to assist us however she could. She also added immigrant issues and business connections to her list of important issues.

Staff met with Senator Dede Alpert and her staff person, Lisa Giroux. Senator Alpert said she is taking SB 347 in a totally different direction. We discussed efforts on the Master Plan framework and the Senator's work with the Joint Legislative Committee building a master plan for education from kindergarten through university. Ms. Ryan said it was delightful to meet with this champion of children's issues and stated that she looks forward to CDPAC working with the Senator on issues of mutual concern.

Another meeting on the Master Plan is tentatively scheduled for August 10. A planning session for that meeting will be held on June 29.

With regard to the May Revise and child care, the anticipated administrative review only highlighted the need for data. Consequently, CDE will continue to collect, compile and report data through September 1, which the State and Consumer

Services Agency will use to model the effects of child care reform options. Outcomes of the administrative review should be reflected in the 2001-02 budget in January.

Ms. Ryan spoke at a meeting of Region IX State Child Care Administrators last month in San Francisco. The small group included representatives from Guam, Saipan and American Samoa. Some of the excellent presentations will be showcased at CDPAC meetings throughout next year. Sharon Fujii, Director of the Pacific-West Regional Hub, said the federal government is moving away from regions and creating hubs. California is now part of the largest hub, which crosses 17 time zones.

Staff developed a tentative, flexible, schedule of themes for next year's Committee meetings, which was shared with the Committee. In addition to continuing our focus on a Child Care Master Plan, the following were proposed as general themes:

- The September meeting will focus on school-age issues and will hopefully include a presentation on GIS mapping. The Bagley-Keene film will be shown and all attendees will be invited to an open house at the refurbished CDPAC office.
- The October meeting will be in the Los Angeles area where 11 Assembly and Senate seats are up for election in January 2001. The League of Women Voters will be asked to host a panel where legislative candidates will be invited to talk about child care issues.
- The November focus will be on business partnerships and will hopefully include a presentation by the Child Care Partnership Project. This project profiled creative ways people around the country have involved businesses in supporting child care. For example, in Florida businesses donated a lobbyist's time one day a month to lobby on child care issues. The November meeting may be combined with a field trip to a business-sponsored child care program either after the meeting or the night before.
- Staff proposes to skip the January 2001 meeting to allow them to focus on preparation for the February conference.
- February will of course be the Local Planning Conference and we have approached the Children and Families Commission about combining the Prop 10 meeting as one day of the Local Planning conference. We would also like to have an abbreviated CDPAC meeting as part of the conference, thereby meeting three needs at once. As announced in an earlier meeting, the French American Foundation has asked to include presentations on the French system of early care and education as part of the 2001 conference.

Ms. Ryan asked for members' input on the proposed schedule and suggestions for how to make it best meet the needs of the Committee. She invited Committee members to volunteer to work on any of the meetings.

Ms. Malaske-Samu suggested staff also consider themes about leadership development in the field of early childhood education, new ideas on how to increase compensation for the field, and how to provide child development services to diverse families. Dianne Philiposian suggested a theme about serving immigrant families.

At the last meeting, the staff was asked to keep the committee apprised of current research. We propose to do that by entering into an agreement with the State Library, which does monthly Studies in the News (SIN) reports. They will help find studies on child care as well as other issues that affect child development. Each month the Library will provide information from studies, journal articles, research, and thesis projects. Eventually, links to this information will be available on our web site. In today's packet is a study by the Urban Institute on the number of hours children under five spend in care.

A conference call will be convened later this month to get Committee approval for contracts with the State Library and Dr. Bruce Perry.

And finally, we are saying good-bye to Lana Magness, our volunteer turned student assistant. Lana is returning to her job in El Dorado County and although her departure is a loss to the office, she will still be in the field doing great things.

### **Brain Development, Sharon Rea**

The packet contains an announcement for the Policy Institute presentation by Dr. Bruce Perry on June 19. Sharon Davis is invited to do the welcome and talk about the administration's investments in programs for young children, but her participation is not confirmed. Dr. Perry will provide a two and a half-hour presentation in the morning. After lunch, there will be a creative thinking session for participants to discuss how this information will stimulate policy directions and decisions and to think about policies they may want to recommend. The daytime session is limited to about 75-100 invited participants and will include state and other public and private sector policy makers, legislators and others the Committee may recommend. In the evening, Dr. Perry will speak at a community forum open to caregivers, consumers, educators and others interested in the topic. Attendance at the forum is free but there is a charge for parking.

Cheri Schoenborn requested that invitations be sent to the State Interagency Coordinating Council on Early Intervention. Amy Tan suggested invitations be sent to the Early Head Start Programs. Ms. Malaske-Samu volunteered Committee members' assistance with preparations, and stated she hopes that as many members as possible will be able to attend.

**May Revise** *Jean Ross*, Director, California Budget Project

The agenda for the Budget Conference Committee meetings includes numerous and phenomenal cost of living increases and reimbursement increases in human services and programs for children. This has not been seen in years. It's an interesting year and a chance for tremendous investments in the well-being of California. The big news is the Governor's May Revision assumes over \$12 billion in additional revenues above the January assumption. This represents a phenomenal revenue growth in a short time period. It's important to understand this is not a \$12 billion surplus – its really \$12 billion that comes in over two fiscal years. This means there is a new plateau that is about \$6 billion higher but has some uncertainty. A very large percent of the revenue growth in California is from non-wage income such as capital gains and stock options. Staff at the Department of Finance stated they were surprised how much of this revenue growth is related to stock options redeemed within the past year. This causes people to feel uneasy in view of what has happened in the last few months with high tech stocks. Last Sunday's New York Times reported that many saw their net worth go down by hundreds of millions literally overnight, and those were the people who paid large tax bills in April. That's the only bad news about the budget. The good news is it's very strong revenue growth for California.

The Governor took a cautious approach by allocating \$7 billion of the additional money to one-time purposes. Ongoing programs were allocated about \$5 billion. In comparing the Legislative Analyst's Office (LAO) position to the Governor's, the LAO thinks the economy is stronger. My thinking is that some of the one-time money could be moved over to the ongoing category and the budget would still be a cautious one as the Governor has allocated a total of \$10 billion (\$3 billion in January, \$7 billion in the May Revise) to one-time spending. This is one of the issues the Budget Conference Committee will be considering. Both the Assembly and Senate budgets had substantially more spending than the May Revision -- \$1 billion more on the Assembly side and \$2 billion more on the Senate side -- reflecting their response to political pressure and their desire to see more money going into programs. The largest share of the new money goes to Education – almost \$4 billion for K-12. The biggest piece of this is \$1.8 billion for deficit reduction, which addresses the COLAs foregone in the early 1990s. In response, the California Teachers Association will not proceed with an initiative that would have required the state to go to the national average in five years. Our analysis is that the \$1.8 billion alone gets California to the national average in four years. If other money is added to the national average calculation, we can get there in three years. This is possible because California's economy is in better shape than most other states.

A big issue will be what kind of tax cut or rebate to give. The Governor proposed a \$1.8 billion one-time rebate: \$150 for single people to \$300 for married couples. Our analysis found that, because California has such a high tax threshold (the point at which we begin to tax), only one-half of the families with children would get a rebate. The Senate budget would rebate about \$1.5 billion tied to sales taxes so that less money goes to more people. The Assembly budget assumes there will be about \$2.7 billion in tax cuts. Part of that is for a low income housing tax credit of about \$100 million. The remaining \$2.6 billion would be decided in a tax conference committee scheduled to begin meeting next week.

As noted, in child care the biggest news is there is no proposal due to the lack of data available. Some debate is expected in the Budget Conference Committee over the allocation of funding for the CalWORKs childcare program: what is "need"; how much should go to Stage Two, or Stage Three vs the reserve? The Governor's proposal put more money into the reserve while the Legislature put more money into Stage Two. The Senate budgeted \$100 million for additional slots in general child care programs, \$77 million for deficit reduction for child care programs paralleling the action for K-12. The Assembly budget has slightly less money but also augmented general child care programs. The Assembly budget included \$6 million to fund Assemblywoman Aroner's proposal for child care salaries and recruitment, which was blue-pencilled last year.

The May Revision fully funds the Healthy Families Program. That is, it assumes that every eligible child will enroll, which would be tough to achieve. Medi-Cal enrollments have dropped off significantly as families move off welfare into the workforce. They are not continuing to receive Medi-Cal even though research suggests these families remain income eligible because their jobs do not provide health insurance. The Governor's proposal would eliminate quarterly reporting and move to the annual federal reporting standard, which experts believe should keep a couple hundred thousand people enrolled in Medi-Cal per year.

There are major revisions in CalWORKs programs as the State is shifting to a new form of budgeting for welfare reform. There is a debate over the performance incentive funds, which is money counties get because their caseloads have declined considerably. The Governor wants to cap the accrual of performance incentive funds and the Legislature has agreed to do that. The Governor proposes to hold that money in reserve for counties to tap into when their other funds are exhausted. However, the Legislature, at the urging of counties, wants to allocate the money because counties will not program services money unless they are sure they will get it. Currently, the money is being fully utilized except in the area of child care.

Another debate between the Governor and the Legislature is how to define needy families for the purposes of spending CalWORKs dollars. Federal TANF regulations had an expansive definition of needy families designed to give states the ability to serve people at a little higher income level to divert people from going onto welfare in the first place and to help people attain self sufficiency. California has a narrow statutory definition of needy families, which has prevented counties from using the federal definition. The Administration is concerned about the downstream implications of creating a demand for services, particularly because next year the TANF block grant will come up for reauthorization. They fear budgetary pressure to maintain funding if the money is budgeted and then goes away.

One last piece of information: There is a lot of money in the budget for juvenile justice early intervention programming resulting from Prop 21 and a desire to keep kids from going into that system.

#### **Q & A Members**

**Q.** What are the legal limits on using State surplus funds or using tax dollars? Is it possible to set up an endowment fund or save money for a drier year?

**A.** We didn't think we'd ever see spending limits again but this year the State will hit a spending limit. We can do things that don't count toward a spending limit, such as tax rebates, capital outlays, subventions to local government. Moneys put into general fund reserves or special accounts reserves do count toward spending limits. There are some limits on keeping money hanging around. All three budgets, the Governor's the least so, the Senate's the most so, have pretty minimal reserves. The Governor's \$2 billion range is still lower than the national idea of a prudent reserve. There is some concern that taxpayers won't like to hear of a reserve. Most families understand the need for savings in the bank. Most of us don't want to run a household with only one week's worth of money.

**Q.** Would setting up an endowment count against the spending limit?

**A.** Yes.

**Q.** Can the spending limit be adjusted?

**A.** The spending limit was adjusted in 1990.

Michael Jett complimented Ms. Ross for her work on discretionary income of low-income families. Last month in conversation with Wisconsin, it was brought up that California has different economic demographics and so its important that any policy changes are considered in the context of a definition of discretionary income and what housing costs are in this state.

Ms. Ross stated there is a piece this week from the Public Policy Institute of California comparing poverty trends in California with the rest of the nation. They found that poverty in California, much like child care utilization, is very different. Whereas poverty rates have gone down in the nation, they've gone up in California. The entire increase here is among two parent families. In other places, it's single parent families that increased in poverty. This points to the need for funding for child care programs.

Kathy Malaske-Samu commented that if we could expand the definition of needy families, we could possibly minimize the current waiting list problem. By expanding the definition, we could serve more working poor as well as CalWORKs. People are scared, however, that the money won't be there next year with TANF reauthorization.

According to Ms. Ross, it's a two-sided sword: If states don't spend the money, Congress will take it away; but spending the money creates the anticipation that money will be available to spend in the future.

Kathy Malaske-Samu said this is an important issue for the Committee to watch and monitor because it could have us asking "What type of poor are you?" instead of asking "Do you need child care? How can we help?"

**Q.** Regarding the poverty rate going up in two parent working families, is it because CalWORKs clients are working?

**A.** Yes. We have a lot of immigrant families, which are more likely to be married. Others have never been in the welfare system but are at low wage jobs. There are more of the latter. A Minnesota evaluation saw a large increase of people in the welfare system getting married.

**Q.** When using the term “poverty level,” are they referring to the national threshold?

**A.** The federal threshold is \$17,000 a year for a family of four. We are looking at what it costs to live in California, like in Silicon Valley. Some of the work we found says the cost to live in California is much higher than the poverty level because it takes into consideration housing costs and reflects cost differentials.

**Q.** Is this the new economy? Will we see income level off at this level?

**A.** No one knows the answer to that question. Alan Greenspan is surprised that things are so good. There are regional differences in California. Tom Leezer, head of the Economic Forecasting Project at UCLA, says that Los Angeles still looks like the old economy, while in Northern California, Silicon Valley overwhelms a lot of the popular perceptions. Los Angeles’ economy is different from the Bay Area.

**Q.** Will the budget be on time?

**A.** Yes.

### **Local Planning Council News**

Kay Ryan welcomed Paula Brown-Almond, Coordinator of the Tehama County Local Child Care Planning Council, Dr. Marvin Locke, retired Superintendent of Tehama County Schools, and Charlene Tressler, Executive Director of Child Development Associates, Inc., the San Diego County Local Planning Council.

Ms. Brown-Almond said that in Tehama County, there are 55,000 people. The county seat is Red Bluff. This is a county where all agencies are committed to working together. Dr. Locke will share some of the ways he got everybody in the county to communicate. Ms. Brown-Almond opened a resource and referral agency in the county in 1985 and served as the coordinator for five years. At that time, even though they were involved with the community, agencies were not working together. She left the field, and when she came back a year ago she found all the agencies working together as a team. She was invited to serve on an oversight team for CalWORKs and also serves on the Interagency Council and the Prop 10 Commission.

At the first meeting of the county Prop 10 Commission, people from the child care field were asked to sit at the end of the table because they weren’t part of the commission. Every time a question was asked, the superintendent of schools would turn to them and repeat the question. Later, he asked them to join Prop 10, talked to the Board of Supervisors, and child care planning was added to the commission. The planning council has been able to do several fun things. They held a recognition dinner for providers, and they held a bus tour of child care programs.

There is no early childhood education person in the Tehama County Department of Education – the problem is funding. So Paula has been included in discussions regarding kindergarten transition and literacy programs, calling it Pre-K – 12. She sits in on management meetings and, as child care funding mandates increased, child care was included in the agenda.

Dr. Locke stated that collaboration has been an evolutionary process – things don’t change overnight. But the process has been rewarding. Based on his experiences, he wrote an article for the California School Boards Association on how representatives in the county came together to create a cooperatively-funded SART program and, at the end of his term of office, a paper on community partnerships that was used by the University of Colorado.

The beginning of the Interagency Council was 25 years ago when they were forced to have an advisory committee for their Juvenile Hall program. The members came together around a narrow, limited issue. They discovered they brought a lot of cultural baggage and decided to look at discussion parameters, things to “agree to disagree” on. Then the SART legislation passed and the narrow advisory committee expanded into the Interagency Council. It was informal in the sense that the state didn’t mandate their duties, but formal in the sense that there was buy-in from all county agencies. As the Interagency Council took shape, the County Board of Supervisors began referring issues for discussion, such as self-esteem. The county started out with the premise that department heads had to be involved; they could not send surrogates to the meeting. The Council needed members who could make commitments and decisions. They pulled people into task forces to deal with specific issues. They also discovered that quality and continuity of leadership is important. Tehama County has had that, and it generates comfort and awareness. The Council has done a great job of using limited resources to accomplish major tasks in a sprawled-out county.

Charlene Tressler discussed recent activities in San Diego County that will have a lasting impact on children and families. The Local Planning Commission interfaces with the County Prop 10 Commission. In San Diego, the commission has only five members. Child care is not represented as one of the five members, but she is a member of their 15-person technical assistance committee. She has been working to raise issues around child care. The Prop 10 Commission has been willing to take the advice of the technical assistance committee. There is strong interface, and a lot of dialogue. They use the public comment time at commission meetings to raise issues and educate the members about child care issues. This tactic has been paying off. The commission has allocated \$4 million to licensed family child care quality improvement. This is \$50 for each child in care. The money can be used for anything that will improve the quality of care in that home – materials, training, etc. The Child Care Planning Council feels very strongly that every child care provider needs information on how to access these funds, and is holding workshops and helping providers to fill out applications.

Another issue of importance is compensation and retention of child care providers. They have been asked by the Prop 10 Commission to write a white paper looking at child care provider wages vs. a living wage in San Diego County and what it would take to bring provider wages up. The Planning Council has been collaborating with child care licensing, providing workshops on “Everything You Need to Know About Child Care Licensing.” Attendance has been high. They also offer a refresher course on what is expected of providers, and how centers can address conflicts with regulations. The evaluations they’ve received from providers have been positive.

Needs assessment has been taken beyond county-wide and the information is divided by city. They wanted city decision-makers to understand the needs of city residents. Information packets were sent out to Mayors, City Council members, etc. A child care administrator, Cherie Paul, persuaded the county to fund a child care economic summit. They presented an overview of child care issues and their impact on the community, and then discussed how to implement changes that would make a difference in the region.

The Planning Council invested \$60,000 in a web-based Centralized Eligibility List that would be easy to access. They began with three AP programs, and are adding center-based programs and Head Start. ControlTech is contracting with the county to implement the web page: [www.childcaresandiego.com](http://www.childcaresandiego.com). The web page is also easily accessible to parents. Ms. Tressler said it’s amazing how many families apply for child care over the internet and update their applications. They access computers at work or the library or at a neighbor’s house. Parents can also receive an application in person, over the phone or by mail.

## **Q & A Members**

### *San Diego County*

**Q.** Does the application ask if the child has special needs or a developmental disability?

**A.** Yes.

**Q.** Are many families accessing that?

**A.** It was slow at first because we wanted to be sure it worked. We have stepped up outreach and are getting more and more special needs children.

**Q.** Where is the Centralized Eligibility List (CEL) housed?

**A.** It is located at San Diego’s only resource and referral agency.

**Q.** Can non-English speakers access the centralized database?

**A.** Most of it is in Spanish. We are trying to get funding for other translations.

**Q.** Is the Indian population involved?

**A.** The tribal council is represented on the planning council. We have not marketed the CEL to the tribes but information has gone to them via the state funded programs, and representatives have attended our meetings. We are trying to make costs to small programs reasonable, for example, \$100 a month to be part of the list.

**Q.** Can the tribal community be asked to use gaming money to aid in the funding?

**A.** Excellent idea. Some tribal gaming agencies have funded other efforts. We will approach them about it.

### *Tehama and San Diego Counties*

**Q.** What are the data issues at the local level?

**A.** *Tehama County* is doing a thorough needs assessment targeting geographically hidden communities and the Hispanic population to determine the real needs there. We are also working on a centralized eligibility list. Families have been resistant to having us share their names but now understand a benefit is the possibility of linking them with other child care program options. *San Diego County* also is working on the data issue, trying ways to capture data they want to know. It is a continual task but is getting better.

Information item: Michael Jett said the state budget includes a CEL pilot program and the Legislature may specify some data elements of interest from a state perspective.

**Q.** What wisdom can the counties share with the committee as we work toward a state master plan?

**A.** *Tehama*: One size does not fit all. Tehama County agreed on general parameters without highly specific detail, thus allowing accountability within parameters rather than item by item.

### **Public Questions**

#### *San Diego County*

**Q.** How was San Diego's system funded? Was there startup money and is it maintained by charging a fee?

**A.** It is still operating on startup money but will charge a fee in the future and they are thinking of establishing a sliding scale.

**Q.** Are CalWORKS Stage 1 families included on the CEL? If so, that presents a data problem in determining the number of children who need child care as they are already receiving it.

**A.** San Diego codes those families so they won't be counted as needing care.

**Q.** What role can planning councils play in advocacy with Prop 10 projects and are they allowed to support or collaborate with them? That is, projects seeking Prop 10 funding are asking planning councils to be a collaborator. This creates uncertainty because council members are appointed by Boards of Supervisors.

**A.** This is an issue for the Child Care Law Project and maybe Prop 10. It is a constant bind for projects as they look for expertise to support their services.

**Q.** Should this be a topic for a Committee meeting?

**A.** Yes.

### **CalWORKS – Beyond Work and Child Care: Services Available to Substance Abusing Families – Facilitated by Cecelia Fisher-Dahms, California Department of Social Services (CDSS); Jo Weber, Chief of the Work Services and Demonstration Projects Branch, Welfare to Work Division, CDSS**

Ms. Weber provided the following information about the substance abuse and mental health supportive services that are available to CalWORKS participants. State general funds are set aside for substance abuse and mental health services to CalWORKS participants and their families when those issues impede their ability to work. This year \$118 million was available for those services and a similar amount is proposed for next year. The CDSS allocates these funds to county welfare departments that in turn contract with service providers.

California allows hours spent receiving mental health and substance abuse services to count toward participation in the program. Federal guidelines do not allow this, so the State is not reimbursed for these services. A person can receive the services as their only activity for up to six months and beyond, if the need is determined by the treatment provider, the participant and the county CalWORKS employment services worker. Even residential services are available, if necessary. The law does not specify families be included in treatment, but we felt it was important to include family members in services. Children often have problems adjusting to a new lifestyle, such as when their parents move from welfare to employment, and, if a parent is a substance abuser, it affects the whole family. We wanted to be able to meet those needs.

The challenges in implementing this program at the local level have included developing new collaborations between county welfare departments and treatment providers, and determining how to identify and refer families needing services. Some counties addressed these problems by co-locating social services staff and treatment providers. Staff try to make getting the referrals as non-threatening as possible. Families don't want to admit they have these issues, especially substance abuse, because they are afraid their children will be taken away or the problem will affect their benefit levels. Counties have varying tolerance policies for substance abuse. Some counties, for example, have zero tolerance and CPS

will become involved if there is any substance abuse in the family. This has impeded the delivery of these services. Service delivery also is impacted by high client no-show and dropout rates. Fifty percent of referrals do not show up for assessment, and fifty percent drop out between assessment and treatment. We are developing guidelines for how the counties might address those issues.

#### **Q & A Members**

**Q.** Can domestic violence be treated with these funds?

**A.** Yes.

**Q.** In Los Angeles, the use rate for services has been alarmingly low. Is this consistent throughout the state?

**A.** Yes. However, this year there has been a substantial increase in the use of funds for these services. Of the \$130 million available last year for substance abuse and mental health treatment to CalWORKs recipients, the counties used only \$20 million. This year, \$118 million is available. Ms. Weber asked about ten counties what their use this year will be and, of the largest, most said they expect to spend between 70 and 90 percent of their allocation.

**Q.** What services are being delivered?

**A.** Services include one-on-one counseling, family counseling, and residential treatment. Some residential facilities can bring in the whole family. A reason for low use of services is that part of the disease is denial. A lot of follow-up needs to be done following services. In fact, the Governor proposed an additional \$2 million to fund follow-up services when people leave residential treatment because of the relapse rate.

**Q.** How does a CalWORKs client find out these services are available?

**A.** At orientation sessions clients are told about the services and that they count toward participation. Caseworkers tell clients about services during individual contacts. Workshop presenters also can determine what is going on with a client and make referrals. Employers can also call the county and get a referral for them.

**Q.** Doesn't this mean a person has to have their act together to seek help?

**A.** Yes. But often the clients are intimidated by the system and are not sure they want to participate in additional activities with the county welfare department. A culture shift is happening for all involved – county workers, treatment providers, and participants. All are having to interact differently than they ever have before. Participants often don't want treatment and that affects the 'take-up' rate on delivery of services.

**Q.** If a provider wants to encourage a parent to seek help, whom do they tell them to talk to?

**A.** Encourage them to talk to their employment services worker. There is a need to make linkages between child care providers and treatment providers, and to train providers on how to recognize problems and make referrals.

**Q.** How does the time spent in services count toward the time limits for going to work? Do they get an extension if they are in treatment?

**A.** No. The time limits of 18 and 24 months to engage in work or community service stay the same. But treatment hours can be applied toward community services if treatment is necessary for them to be able to perform community service. Also, after someone leaves aid, counties can provide job retention services, which include mental health and substance abuse treatment services.

**Q.** Is it possible to find out the numbers of children whose CalWORKs families are participating in treatment? It is important to have an idea of these numbers as the child care providers see parents every day and therefore are in a position to recognize problems and make referrals. This highlights the needs for linkages and training mentioned earlier.

**A.** We know the numbers of people participating in treatment, but can only estimate the numbers of children whose families are receiving treatment. We should explore the ability for providers to have contact with county welfare departments but would have to look at confidentiality issues. It would be beneficial for clients, counties and providers to have a format to work through issues of concern like this one.

Ms. Malaske-Samu commented how frustrating it is that funding is available but people aren't using the services, especially where children are involved, and offered the assistance of the Committee to help build bridges between counties and child care providers.

Ms. Weber asked how providers deal with substance abuse issues in families that are not CalWORKs participants. Dee Cuneey answered that she would start with the family first, but that she also would call CPS. She mentioned two families with problems and said when she tries to report she is told of confidentiality. She said that unless substance abuse can be

dealt with, the system is setting the families up for failure. Eleanor Moulton cautioned that as a provider she would tread very lightly on this issue because how can we know who is a substance abuser? Lynn Lucas said that El Dorado County has an agreement between the Sheriff's Department, CPS, and the programs. If they see a problem, they are required to call the Sheriff's Office who calls CPS. The parents are aware of this and it is in the handbook they receive when they enroll.

Regarding confidentiality, Ms. Lucas commented on the need to remove barriers so agencies can come together to talk about their roles and avoid duplication of efforts when they are working with the same families. Ms. Weber said some demonstration projects are looking at integration of services and breaking down the barriers of confidentiality that are imposed by several governmental entities. To ease the problems around sharing of information, some counties ask CalWORKs participants to sign a release of information authorization when they come in. But she cautioned that these rules were established to protect all of us. This is a very sensitive area and we want to make sure that what we do is in the best interests of clients and cannot be abused.

Ms. Beveridge stated that San Bernardino County has found the use of multidisciplinary teams helpful in resolving confidentiality issues. The success rates are more solid for the clients involved with the multidisciplinary teams. In addition, they have training once a month for center directors and family child care providers on how to work with various families and their problems.

Ms. Malaske-Samu thanked Ms. Weber for the presentation and suggested that, via Ms. Fisher-Dahms, we continue communicating about these issues.

### **State Department Reports**

*Michael Jett*, California Department of Education, Child Development Division

Mr. Jett briefly outlined the budget process. The May Revise is released from the Governor's Office, is acted on by both houses, goes to the joint legislative conference committees and is sent to the Governor who can accept or blue pencil line items. While there are several conference committees, there is also a child care discussion group. He highlighted some of the issues of importance to that group.

- The administrative review recommendations did not materialize because the requested data was not available. The budget asks CDE to provide the data by September 1. Then the State and Consumer Services Agency will model it. The resulting information is expected to be available for use in developing the January 2001 proposed budget. CDE has contracted with technical experts, sampling experts, experts in survey questioning and statisticians to help the department obtain the data. Some data will be available from existing information but samples must be drawn for the more specific information.
- The Senate put money for deficit reduction for child development into the budget. This would cover COLAs lost during the five years of deep recession. This is a top priority for CDE as it is a fundamental way to address the compensation issue. If the reimbursement rate is capped, it is hard to raise salaries. CDE wants this money in addition to the \$3.17 million deficit reduction for K-12 because the attrition rate for teachers and early childhood education workers is skyrocketing and needs to be stopped. With the increased emphasis on school readiness, the K-12 community is more aware of the need for quality preschool programs, especially for low-income children who tend to benefit the most from early childhood education.
- Regarding CalWORKs, the Department of Finance proposes to streamline the deficiency appropriation process so there won't be a struggle to get that money like there was last year. Both houses have put back into the appropriation the 10 percent of the Stage 2 estimated allocation being held in reserve. This means the caseload estimate is fully funded.
- The January budget had a \$1.13 million shortfall in the quality plan. That has been restored. This means no activities will have to be cut out of CDE's approved 2-year quality plan.
- Efforts are being made to provide resources to state operations to carry out mandates. Those resources have not been there in the past so there haven't been enough staff to carry out required activities.
- The CDE recently released an RFA for \$97.8 million to fund preschools. This includes money for the current year plus budget year and some carry-over from the prior year. The applications received totaled only about \$71.8 million, this may be because it was for the half-day program. There were two phases. The noncompetitive phase was for those with licensed, unfunded slots. CDE also allowed every preschool program to provide up to two classrooms in an unserved or underserved area as identified by the local child care planning council. The other phase was a straight competitive bid for those who want to establish or expand state funded preschool programs. All who asked for money and passed the review process were funded.

**Q.** What was the review process this year? We heard it would be done differently.

**A.** The competitive bids were reviewed and scored primarily by retired annuitants. We may have had some field reviewers. We had planned to visit sites but revised the RFA based on input from the field. We had 207 noncompetitive

applications and 127 competitive applications for a total of 334. Existing agencies asked for 125 facilities, and new programs asked for 66 facilities for a total of 191 facilities to be funded out of the revolving loan fund.

CDE's facilities renovation and repair RFAs went out on May 5. There were two changes this year based on input from the field. A minimum, a maximum, and a sliding scale were set so agencies got something in relation to their largest contract. Also, agencies were allowed to put their renovation money into more than one site. That is, they could get one grant of from \$10,000-\$50,000 and fix different pieces of different facilities. Those grant applications are due back June 2. Every proposal that meets the requirements will be funded unless more money is requested than is available, in which case there will be a lottery process.

**Q.** The CDE budget has been cut the last couple of years. Has money been restored so consultants can visit programs?

**A.** The personnel crisis may be nearly over. Eighty percent of the freeze on travel dollars has been restored. Fiscal, facilities, audits and contracts staff are being added, and we think we are getting to the point where we can get into the required three-year review cycles. We are asking for a few more staff to provide technical assistance to the field.

**Q.** Can you give us an update on the Child Development Division's Desired Results and standards for preschool?

**A.** The Desired Results has been in the developmental phase. We will test it this year and expect to have it available a year or two after that. We are still committed to the six desired results. We want to refine those program standards and put them in the compliance review document. We have the developmental profile where we slim that down for the teachers. And, we'll be using the Thelma Harms Environmental Rating Scales to rate quality. So we're moving ahead with this quality based system, which will assess children's developmental progress and the quality of the teaching and learning environment. The Pre-K Guidelines are in upper level review and should be published by the end of this fiscal year and out early next fiscal year.

**Q.** Can we get copies of the diagnostic scales and instruments?

**A.** Yes, the current draft is available from Barbara Metzuck at CDE.

**Q.** Have the regional resource centers been selected?

**A.** They have been selected, but it's possible there isn't one in every region because some regions may not have had a passing proposal. A list should be available to staff to send out with the minutes.

**Q.** What happens to uncommitted state preschool dollars?

**A.** It will be spent. We have to either put it back out for bid or develop some other method to spend it.

**Q.** What is the status of last year's legislation to address universal preschool?

**A.** It's still in the Legislature. The Universal Preschool Report talked about an incremental approach of 10 years. We've tried to have that included in the master plan discussions but that, too, is still in the Legislature. CDE has submitted a \$100 million Budget Change Proposal for full-day full-year preschool, the department's general child care program for three and four year olds. The Assembly has \$100 million in their budget for full-day full-year preschool, and the Senate has a more general expansion of \$100 million in their budget. If the efforts for the master plan and/or a commission to plan universal preschool are realized, and we are working with both, we hope universal preschool will be a part of that. Georgia and New York both are moving toward universal preschool.

**Q.** When is the list of successful applicants for the state preschool RFA going to be available?

**A.** Very shortly. We know who passed. Because there is money left over, we are debating the possibility of working with projects that didn't pass to bring them up to Title V standards.

**Q.** Is thought being given to collecting Workforce data for the administrative review?

**A.** The budget lists the kinds of items the administration is interested in and does not include Workforce data or retention and compensation data.

**Q.** Instead of targeting RFAs to specific populations, for example, specifying ages of children to be served, is it possible to block grant dollars to counties to meet their locally determined needs? To have state preschool funds available when the local need instead may be for full day child care is frustrating.

**A.** The short answer is money is appropriated for specific purposes in the budget. State departments, therefore, cannot say how it is to be spent. The budget has sub-schedules for each type of child care. This leaves us no discretion to go to a local child care planning council and give them a dollar figure and ask them how they want to spend it. It is possible to block

grant money, but it would have to be done legislatively through the budget process. With help from the field, we can target money within the categories, but we can't cross those categories.

**Q.** It's disturbing to know families need care, but there's no money to fund what they need. We're having to force families into types of care other than what they need.

**A.** There has been talk of collapsing categoricals, but there's been resistance.

**Q.** Would you envision a process where a county would come up with a proposal to CDE saying how they plan to use a fund, then have the money block granted according to their proposal and be evaluated on that? If it were legal, could it work?

**A.** There would be two ways. That approach would be tricky because we would have to know our funding terms and conditions. Another way would be to give counties money and ask them what they planned to do with it. That would be collapsing the categoricals, which represents a whole new structure. You would have to sell the Legislature, the Administration and the Department of Finance on that. It would be complicated.

**Q.** Isn't that how the Department of Social Services works? CDSS sends a single allocation to the county and county social services divides it up.

**A.** CDE doesn't have the same relationship with counties as CDSS does. CDSS has a relationship with county entities that report to the Board of Supervisors. Our only parallel is our relationship to the County Offices of Education. I don't know if local planning councils would be considered entities in the same nature that county welfare departments are. Our structure is more of a state-run system wherein are county offices, school districts, nonprofits and proprietary agencies. So it would be harder for us to do a single allocation.

Ms. Malaske-Samu commented that this is an interesting dilemma and thanked Mr. Jett for his report.

*Charlene Gorrell, Department of Health Services*

The department is still looking at AB 2151 which would increase the eligibility for CCS to 300 percent of the federal poverty level. Regarding the newborn hearing screening program, the data management system should be installed in four hospitals by the end of June. The goal is to certify all CCS approved hospitals, there are over 200 of them, by the end of 2002.

*Cheri Schoenborn, Department of Developmental Services*

The Governor appointed former Senator Barry Keene as Director of the Department of General Services. This impacts DDS because the director has been serving as the acting director of that agency. With his return, perhaps our several high level vacancies can be filled.

The May Revision adds money to regional centers to fund the significant increases in referrals to Early Start. Referrals are estimated to increase from 17,795 this year to 19,125 next year, which is a significant growth in the number of children under age three suspected of having a developmental disability or delay. While service costs are increasing, per capita costs also are increasing. This may be due to providing services in the child's natural environment rather than a center-based program, so more one-to-one services are being provided. For example, on-site services are being provided in child care centers to children who have been identified with disabilities or delays. We are holding a forum for regional centers in September to talk about this issue.

This increase in numbers is interesting for another reason. California's participation in the Part C Program under the Individuals with Disabilities Education Act, for children under age three, is contingent on our receipt of enough federal funds to address the additional requirements on the state to implement the Part C program. This year we exceeded the federal amount available, which impacts the state general fund. State law allows us to drop out of the program when this happens. However, the administration has embraced the importance of this program, so the state is likely to continue to participate.

The Alameda County Prop 10 Commission's application for funding includes services for children with disabilities. We have learned that Early Start staff in most counties participate with their Prop 10 councils. Referring back to Tehama County's presentation today, these local collaborations are so important. The department is still participating in the Map to Inclusive Child Care. Ms. Schoenborn encouraged child care centers to respond to the surveys sent out by the Child Development Division.

## **Q & A Members**

**Q.** What was amended out of the bill?

**A.** The subsidized system allows a family to enter when their income is 75 percent of state median income or lower. They become no longer eligible at 75 percent. The language that was amended out would have raised the point at which they are no longer eligible from 75 percent to 100 percent.

**Q.** SB 1703 requires the Superintendent of Public Instruction to submit to the Legislature a cost estimate for providing high quality child care and development services to eligible families by 2005. Please explain the cost estimate.

**A.** We only have rough estimates that it would cost about a billion dollars. This is an attempt to get more specific and accurate information.

**Q.** Is high quality child care defined in the bill?

**A.** No. The term can be interpreted any number of ways. The wording is included because the Child Care Law Center felt strongly that quality issues needed to be looked at and not just dollars.

**Q.** What programs could access this funding?

**A.** It currently is limited to center-based programs, but efforts are underway to allow increased flexibility so that alternative payment programs could also access the funds and thereby provide parents an increase in choice of child care programs.

**Q.** What will happen between now and 2005?

**A.** The Legislature won't commit future year funds, so the funding language in the bill is intent language only. However, there is no intention to wait until then to start gathering the information.

**Q.** Does this legislation take into consideration the needs for facilities, space, staffing, etc.?

**A.** There are a number of different bills and budget items addressing all aspects of child care. The Women's Caucus leadership is looking at developing a more comprehensive strategy to look at all these issues together. They probably will be doing that in the next week.

**Q.** How would this bill differ from the Wisconsin approach that we heard about at the last meeting?

**A.** It would set a threshold for subsidizing everybody who qualifies, but there would be no increase in parent fees. It uses the same structure as is used in the current subsidized child care system.

Ms. Malaske-Samu commented that the issue of the definition of high quality child care is a fascinating one and said she hoped the family child care model and possibly the alternate payment model would be considered as a way to get at the definition. She would like the definition to be as inclusive of models as possible, especially considering the anticipated demands for care. Mr. Jett agreed and said that, because of families' different working patterns, there will have to be flexibility in types of care available. Ms. Philibosian added that training could be included in legislation to address gaps in quality, regardless of the setting. Ms. Stromgren shared that the reality is families at 30-35 percent of the state median income actually are the ones accessing the subsidized child care system because there are not sufficient funds to serve those in the 35-75 percent range.

Ms. Beveridge raised the issue that two-thirds of the children in San Bernardino County who receive subsidized care are not in a licensed child care center because their parents choose a different model. She expressed concern that, if the offer of a subsidy is only for families who choose licensed centers, this will limit parents' choice of child care options and, in effect, put them in the position of being forced down one path. Ms. Stromgren responded that it was always the intent of the legislation to include all types of licensed care, and only recently have discussions limited it to center-based care. Efforts are being made to broaden the definition and make it more flexible.

It was moved, seconded and the Committee voted unanimously to support SB 1703.

Ms. Malaske-Samu thanked Ms. Margolis and Ms. Stromgren for their presentation. The Committee meeting was adjourned at 3:15 p.m. Ms. Malaske-Samu thanked the staff for putting together the agenda and wished everyone a lovely summer. Meetings will begin again in September.

The department is still working on service delivery reform, a major effort mandated by the Legislature to look at the entire rate structure. A part of this is developing personnel standards for anyone providing direct care services to persons with disabilities, including respite care and child care providers. These are being linked with the early childhood standards set by the Child Development Division so standards are consistent. There will be a meeting this month with Mark Friedman, well-known in the Prop 10 efforts, to consult with him about the strategic plan. In July there will be a meeting with all DDS stakeholders to update them on the reform process. The May Revise includes additional funds for direct service providers to add stabilization during the process. This is an acknowledgement of concern about the rate structure, not only for infant programs but also adult day programs and residential services. It is hoped that this will provide an intermediate stabilization of funding.

The Governor designated May as Drowning Prevention Month. A lot of near-drowning accidents result in serious brain injuries.

#### **Q & A**

**Q.** Can the personnel standards be shared with CDPAC when they are done?

**A.** Yes. More and more we see the services being provided in a child care setting.

**Q.** Regarding the increases in referrals to regional centers, is any specific syndrome bringing them there?

**A.** It's across the board. The news has highlighted the increased prevalence of autism spectrum disorder. Some believe there's an increase in autism, others believe diagnosis is getting better.

**Q.** Are you looking at a connection between hepatitis B and autism?

**A.** We are looking at everything. The Mind Institute in Sacramento researches these issues and our department funds some of that. By diagnosing children earlier and providing services earlier, we can impact their entire life.

**Q.** San Bernardino County is seeing a lot of severe acting out behaviors, possibly due to ADHD and ADD, and the behaviors are not in the realm of the regional centers. A lot of these increases may be because San Bernardino County is the methamphetamine capital of the world and we have a lot of children born drug and alcohol exposed. Will you also be looking at that?

**A.** We need to bring the Department of Mental Health to the table. Providing infant/family mental health services is necessary because often parents don't know how to cope with their children's behavior problems possibly because of their own issues. Mental Health has received funds to expand service capacities. Right now we can identify these children but have nowhere to refer them, so they are falling through the cracks. We may want to invite Dr. Penny Knapp from Mental Health to come and talk about services for children.

It was agreed that the Committee should look more closely at this issue. Not only is funding needed for services, but also we must recognize that when very young children have problems the whole family unit has to be served.

#### *Patti Huston, Children and Families Commission*

Ms. Huston handed out fact sheets about the Elizabeth Street Learning Center in Los Angeles, where the commission held their May meeting. The center is a very impressive pre-K through 12 site with about 3,000 students and hundreds of parent volunteers participating daily. The vast majority of the children they see are uninsured but receive free health care through a partnership with the St. Francis Medical Center, which has a clinic on-site. Prenatal services are provided to mothers. The children are signed up for toddler programs when they are 18 months old. The center does extensive Healthy Families and Medi-Cal outreach to get uninsured families into an insurance program. Their new Head Start Program serves pregnant teens and toddlers. Before this, there were virtually no openings in the community for child care for infants and toddlers. They have a system for identifying barriers to learning. They also have an adult education center, which has grown from one to 26 English-as-a-second-language classes. Licensed child care is provided as well as family literacy programs. The Elizabeth Street school has become the hub of the community. It is open weekdays from 7 a.m. to 9 p.m. and is open Saturdays for adult education and the health clinic. Vice-President Al Gore toured the site the week before the commission meeting.

With regard to the commission's objectives and priorities, they are still holding public forums. These have been held in Los Angeles, Sacramento and Redding and will be in San Diego and Fresno in June. The schedule is on the commission's web site at [www.cffc.ca.gov](http://www.cffc.ca.gov).

Seventeen county commissions have submitted their strategic plans, which are due by June 30. After that date, funding will be held by the state until a county's plan is in. The commission has adopted legislative criteria and will begin taking positions this month. The next commission meeting is June 15 in Hanford, Kings County.

#### **Update on Legislation, *Leslie Witten-Rood***

##### **AB 278**

Ms. Witten-Rood introduced legislative representatives Everett Greene, legislative director for Assembly Member Honda's office, and Diana Kalcic, formerly with CDPAC and now with Santa Clara County.

This bill is co-sponsored by the County Welfare Directors Association and Santa Clara County. It would provide a child care reimbursement to licensed foster parents as well as relative caregivers who are caring for children under age 13. Foster parents would be reimbursed when they work, attend training, or court hearings. It would be a county-optional program, but that may change. A number of states have provided this option to their foster parents and are drawing down Federal IV-E foster care funds but California has not. Santa Clara is sponsoring this measure because counties desperately need foster parents. Our county, for example, had about 800 foster homes in 1990 but now has only about 378, in spite of the fact we have more foster children. Orange, Ventura, Alameda and several other counties also support this measure. This issue is important because, if a child does not get placed in a licensed home or with a relative, they may spend more time in an emergency shelter, a group home or a licensed foster agency. These placements are often inappropriate and costly. This bill will help us recruit working parents. In high cost counties, Santa Clara County for example, parents have to work because of the high housing and cost of living costs. The basic foster care rate is not sufficient to cover child care costs. The payment for a foster child age 0-4 is only \$393 a month while child care in our county can be \$1,000 a month for center-based care. So there is a true need to provide a child care supplement.

SB 278 is in Senate Appropriations. The budget committees of both houses acknowledged the need for the supplement and provided \$2.8 million for a pilot program in five counties. Participating counties would need to contribute a share of cost. This would be a state/county only three-year pilot program to test the effectiveness of using the supplement as a recruitment and retention tool, the effectiveness of placing children in foster homes vs. group homes, and to look at the fiscal issues of utilization.

#### **Q & A Members**

**Q.** What five counties would be in the pilot?

**A.** They would probably be selected through an RFP process conducted by the CDSS.

**Q.** Would this be a new appropriation specifically for foster care parents? Could it impact general subsidized child care dollars?

**A.** It would be a completely new program using new state general fund money for child care and would be within the foster care program.

**Q.** Will reimbursement rates follow the regional market rate?

**A.** It is our expectation the payment method would follow the regional market rate survey.

**Q.** Do I understand the funding correctly? There will be no Title IV-E money for the pilot? It will use only state general fund money with a 50 percent match from the county?

**A.** Yes.

**Q.** Please clarify the information about the funding.

**A.** AB 278 would draw down federal funds. But there is an issue of statewideness in the bill because the program would be county-optional. However, the use of Federal IV-E funds requires services to be available to all children in the state. If this statewideness requirement is violated, the state can't draw down federal funds. As written, the bill does not resolve that issue. For now, though, the budget will fund a \$2.8 million five-county pilot program that uses state and county funding only, 50 percent State, 50 percent county. This will test the program. If we decide to implement statewide, it would have to be a mandated program where all counties have to provide the child care reimbursement. And there would have to be a county share of cost as foster care requires it. This is a problem because some counties cannot afford the additional share of cost. We are trying to resolve that issue.

**Q.** If a family chooses to stay at home with the children, would they be eligible for these funds for the in home care they are providing?

**A.** No, because they would not meet the federal requirement, which is included in the language of this bill, of engaging in work or training or some other activity outside of the home.

**Q.** After the pilot, will the program be evaluated, will there be another bill or will the program automatically be mandated?

**A.** As the language is drafted, the pilot will be evaluated three years from now. There is no provision to automatically expand statewide. If the program is successful, we would have to come back to the Legislature to expand it statewide.

Ms. Kalcic added that, under this bill, the child care has to be licensed to be reimbursed, and needs to be documented and approved in the child's case plan. The intent is to provide a safe and stable home for the child. These funds would provide counties with a greater pool of foster care homes and make it easier to recruit and retain relatives. A lot of foster parents currently pay out of pocket for child care. Surveys say that they pay from \$100 to \$500 per month, averaging \$350 per month for child care.

It was moved, seconded, and the Committee voted unanimously to support AB 278.

### **AB 212**

Ms. Witten-Rood introduced Sherry Novick, Chief of Staff for Assembly Member Aroner, and Jim Stockinger who is a teacher at the UC Berkeley Infant-Toddler Center and a member of the CAEYC Board.

Ms. Novick outlined the history of AB 212, the CARES bill, which represents a complicated effort on the part of many in the child care community. Three years ago AB 2025 proposed a rate system. It was long and complicated, and Governor Wilson vetoed it. Last year, AB 212 was introduced and was almost identical to AB 2025. It targeted new federal block grant funds to get the CARES program started. The Governor blue pencilled the new federal dollars saying the market should take care of the problem and it is a matter of local concern, not a statewide problem. Since then, there have been encouraging discussions with the Governor and his staff about the statewide need for child care workers. To be responsive to the Governor's concerns, the bill was turned into a matching grant program. As currently written, state dollars would match, one for one, county or local dollars. Several counties have started their own CARES type of stipend program and it's in the Prop 10 plans of many counties. This is a new program and the actual costs for the match are unknown. However, \$6 million in general fund money is in the budget. If it remains, the match amount could change, perhaps to one state dollar for two local dollars. The budget item can be found in the Department of Education Budget, Issue 22 on page 452 in the conference agenda. Hopefully, the money will remain in the budget and the program will start next January.

Mr. Stockinger emphasized the historic nature of this legislation. Policies have been driven almost exclusively by the needs for more child care. However, the increasing demands for child care, due in large part to welfare reform, and the depletions in the supply of providers, have led to a crisis in the quality of care. We no longer can choose between quantity and quality. AB 212 represents a significant statement by the Legislature and the counties that they recognize the problem and have responsibilities to address it. Mr. Stockinger congratulated Assembly Member Aroner and Ms. Novick for all their work on this legislation. He stated that it represents the first effort to legislatively address the most serious problem in child care in the United States.

Alameda County is the second county in the state to implement a CARES program, devoting \$3.8 million to it. The number of applications has been overwhelming. Last year San Francisco County implemented a CARES program with \$1.15 million in county funds, not Prop 10 funds. Mayor Willie Brown has just put another \$1.5 million into that program.

This measure is designed to address the retention and training of child care workers. The last salary survey done in Alameda County showed they had 50 percent more teachers at the B.A. level at that time than they have now. Teachers and directors are being lost to the elementary schools. Information received from the Center for the Child Care Workforce shows that training levels of workers have diminished.

Contra Costa County's strategic plan has \$2.9 million for Ready to Learn, a portion of which will be used for a stipend program. Napa County's Prop 10 Commission is interested in implementing a program. Santa Clara County has an RFP for a program. And advocates for the program also are working in Santa Cruz, Mendocino, Sonoma, Kern, Humboldt. L.A. and San Diego counties. The CARES match would be stretched thin even if only some of these counties implement a program, but the larger significance of the bill is it represents a turning point in child care policy in California and an end to the tradeoff between quantity and quality.

Ms. Novick added that the Women's Caucus in the legislature identified child care as one of its major concerns.

#### **Q & A Members**

**Q.** Do we know how much more per hour it would take to encourage providers? If so, has this figure been used to calculate how much total money is needed?

**A.** Mr. Stockinger said this figure is not known and emphasized that this bill is only a short-term measure to begin to resolve the problem. The long-term effort requires structural reform. The CDD commissioned guidelines for salaries in the state. These suggested that in each county the starting wage of a child care provider should be the living wage for that county, and the top wage should be comparable to a kindergarten teacher. Under AB 212, stipends will be based on the level of ECE units a worker has, so it actually isn't a salary supplement program. Rather, it's a training incentive program that could supplement the salary of a provider by around \$6,000 a year. The Policy Advisory for California Education (PACE) has a contract with the state Children and Families Commission to evaluate these programs. This includes comparing levels of incentives to turnover rates and levels of training.

Ms. Novick shared that last year, when looking at using only state dollars, they determined it would cost approximately \$40-\$60 million to close the salary gap between child care teachers and kindergarten teachers. But so many factors need to be considered, it's hard to know the actual costs.

**Q.** Does this bill cover providers for subsidized care or is it across the board?

**A.** These are matching funds, so counties may have discretion on whom to include. The original bill was for anyone who provided child care in the state. Some counties may be motivated to spend less and may therefore be more selective on who they include.

**Q.** Is the funding enough not only to make a difference, but enough to get measurable results that show that difference?

**A.** A 1995 study in California showed that programs that rely on parent fees pay lower wages and have higher turnover, while programs that rely primarily on a public source of money pay higher wages and have lower turnover rates and a higher quality of care. While we intuitively know that increased public funding will have an impact, the level of impact depends on how a program is crafted at the county level and what resources are put into studying it.

**Q.** We recently went through a traumatic experience with classroom reduction where our teachers left this field and went to work in the schools. If some counties participate and others don't, some agencies participate and others don't, won't we see child care workers leaving the counties or agencies that don't participate and moving to those that do?

**A.** That threat was used successfully with the Alameda County Prop 10 commission when they were told the teachers would go to Contra Costa County.

It was moved and seconded to support AB 212. The motion was approved with one abstention.

Ms. Malaske-Samu thanked Ms. Novick and Mr. Stockinger for their presentation and commented the Committee would like to work with them because this is uncharted territory and the Committee wants to learn from this experience.

#### **SB 1703**

Ms. Witten-Rood introduced Andrea Margolis, a legislative consultant for Senator Escutia, and Donita Stromgren, from the California Resource and Referral Network, to talk about SB 1703.

SB 1703 is a much simpler bill than AB 212. Originally it increased, for the subsidized child care population, the exit eligibility from 75 percent to 100 percent of state median income. It stated the intent of the legislature to fully fund the subsidized child care system by the year 2005, which would mean that all eligible families would receive assistance at that time. It also asked the Superintendent of Public Instruction to provide some additional information to the Legislature. The Senate Appropriations Committee amended out of the bill the provision to increase the exit eligibility. SB 1703 is now in the Assembly. Senator Escutia's office is working with the Budget Conference Committee to fund the bill.

This legislation was designed to focus subsidies on low income working families because families who were never a part of TANF find it increasingly difficult to access child care subsidies.

## June 1, 2000 Attendance

### *Members*

Michael Jett, CDE, CDD  
Joyce Hanson, Grandparent/Child Advocate  
Kathy Malaske-Samu, LA Co. Hall of Admin.  
Dennis Mooney, Child Advocate  
Earl Peterson, Child Care Consultant  
Amy L. Tan, Sacramento City/ College USD

Cheri Schoenborn, DDS  
Lynn Lucas, El Dorado Supt. Of Schools  
Eleanor Moulton, EduCare  
Joyce De Witt, Public Member  
Charleen Gorrell, DHS, Children's Medical Services  
Cecelia Fisher-Dahms, DSS, Child Welfare Services  
Policy Bureau

### *Guests*

Barbara Coulibaly, PACE/APP  
Charlene Tressler, Child Development Associates  
Jolene Thomas, Shasta LPC  
Michael De La Rosa, Co. of San Bernardino  
Kim Johnson, Children's Network  
Jean Baker, Contra Costa LPC  
Kathi Walker, El Dorado LPC  
Willa Pettygrove  
Pat Dorman, OTCD  
Paula Brown-Almond, Tehama Cty Dpt of Ed  
Terry De Martini, West-Ed/PITC  
Cheryl Allen, CEITAN  
Mary Rich, Clovis USD  
Linda Nissen, CDSS/CCLD  
Steve Erwin, KAPLAN  
Gail Beyer, Madera County LPC  
Sherry Novick, Assembly Member Aroner  
Andrea Margolis, Senator Escutia  
Jean Ross, CA Budget Project  
Everett Greene, Assembly Member Honda

Viviane Schupbach, CCDA  
Dee Cuney, Family Child Care  
Linda Parfitt, CDD, CDE  
Teri Ellen, CDSS, Child Care Bureau  
Irma Fraigun, CTA  
Donna Beveridge, San Bernardino LPC  
Steven Thaxton, Stanislaus LPC  
Christy Daigan, LCCPC  
Anne Sanchez, Monterey County CCPC  
Kelly Hogrefe, Orange Cty LPC  
Diane Fritz, Edgewood  
Jean Miner, Childrens Services Int'l  
Jim Stockinger, CAEYC  
Jim Archer, Mariposa Cty LPC  
Dr. Marvin E. Locke, Tehama County  
Diana Kalcic, Santa Clara County Social Services  
Donita Stromgren, CA R & R Network  
Jo Weber, CDSS Welfare to Work Division  
Patti Huston, CA Children & Families Commission

### *Staff*

Kay Ryan, Executive Director  
Sharron Goldstein, Analyst  
Jeri Westerfeld, Office Technician

Leslie Witten-Rood, Policy Analyst  
Sharon Rea, Analyst  
Lana Magness, Student Assistant